
HOUSE BILL No. 1976

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-2.5-12.

Synopsis: Excise tax on bottled water. Establishes a bottled water excise tax of \$0.02 per liter on sales of bottled water in Indiana. Requires the department of state revenue to deposit the excise taxes collected into the clean water Indiana fund to be used for leveraging matching funds from private and federal sources for available land and soil conservation, water quality, or agricultural programs. Appropriates to the clean water Indiana fund, to be allocated in specified amounts for various leveraging purposes, a total of \$12,000,000, less the total amount of bottled water excise taxes collected for the period, from the state general fund for the period beginning January 1, 2004, and ending June 30, 2004.

Effective: July 1, 2003; January 1, 2004.

Friend, Lytle

January 23, 2003, read first time and referred to Committee on Ways and Means.

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Introduced

First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

HOUSE BILL No. 1976

A BILL FOR AN ACT to amend the Indiana Code concerning taxation and to make an appropriation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-2.5-12 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2004]:

4 **Chapter 12. Bottled Water Excise Tax**

5 **Sec. 1. The definitions in IC 6-2.5-1 apply throughout this**
6 **chapter.**

7 **Sec. 2. As used in this chapter, "bottled water" means potable**
8 **water contained in a can, a bottle, or other container. The term**
9 **includes:**

10 (1) **drinking water;**

11 (2) **mineral water;**

12 (3) **carbonated water; or**

13 (4) **natural spring water exempt from the state gross retail tax**
14 **under IC 6-2.5-20(b)(13);**

15 **that is in a container no matter how the container is labeled.**

16 **Sec. 3. As used in this chapter, "retail merchant" includes a**
17 **street vendor or the owner of a vending machine.**

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1 Sec. 4. As used in this chapter, "retail transaction" includes
2 sales made through a vending machine or by a street vendor.

3 Sec. 5. As used in this chapter, "tax" refers to the bottled water
4 excise tax established by section 6 of this chapter.

5 Sec. 6. (a) An excise tax, known as the bottled water excise tax,
6 at the rate of two cents (\$0.02) per liter is imposed on a retail
7 transaction in which bottled water is transferred for consideration
8 in Indiana.

9 (b) The person who acquires bottled water in a retail
10 transaction is liable for the tax on the transaction and shall pay the
11 tax as a separate added amount to the consideration in the
12 transaction. The retail merchant shall collect the tax as an agent
13 for the state.

14 (c) The tax imposed under this section is not gross retail income
15 for purposes of the state gross retail tax under this article.

16 Sec. 7. The tax imposed under this chapter shall be imposed,
17 paid, and collected in the same manner that the state gross retail
18 tax is imposed, paid, and collected under this article. However, the
19 return to be filed with the payment of the tax imposed under this
20 chapter may be made on a separate return or may be combined
21 with the return filed for the payment of the state gross retail tax,
22 as prescribed by the department.

23 Sec. 8. (a) The department shall separately account for all taxes
24 it collects under this chapter.

25 (b) The department shall deposit all taxes it collects under this
26 chapter in the clean water Indiana fund established by
27 IC 14-32-8-6 to be used for the following purposes:

28 (1) Forty-one and sixty-seven hundredths percent (41.67%) of
29 the collections to provide technical assistance to landowners
30 in preparing conservation plans to leverage matching dollars
31 available under the federal Farm Security and Rural
32 Investment Act of 2002 (P.L. 107-171) or from other public or
33 private sources.

34 (2) Sixteen and sixty-six hundredths percent (16.66%) of the
35 collections to leverage matching dollars under the
36 Conservation Reserve Enhancement Program of the federal
37 Farm Security and Rural Investment Act of 2002 (P.L.
38 107-171).

39 (3) Forty-one and sixty-seven hundredths percent (41.67%) of
40 the collections to leverage matching dollars from public or
41 private sources for grants or other programs providing
42 cost-share financial assistance for land or soil conservation

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efforts, water quality efforts, or agricultural purposes and to provide incentives to landowners to apply for funds available under the federal Farm Security and Rural Investment Act of 2002 (P.L. 107-171).

(c) The department may adopt rules under IC 4-22-2 to implement this chapter.

SECTION 2. [EFFECTIVE JANUARY 1, 2004] IC 6-2.5-12, as added by this act, applies to retail transactions that occur after December 31, 2003.

SECTION 3. [EFFECTIVE JULY 1, 2003] (a) There is appropriated to the clean water Indiana fund established by IC 14-32-8-6:

(1) an amount equal to:

(A) five million dollars (\$5,000,000); minus

(B) forty-one and sixty-seven hundredths percent (41.67%) of the amount deposited in the clean water Indiana fund under IC 6-2.5-12, as added by this act, for the period beginning January 1, 2004, and ending June 30, 2004;

from the state general fund to provide technical assistance to landowners in preparing conservation plans to leverage matching dollars available under the federal Farm Security and Rural Investment Act of 2002 (P.L. 107-171) or from other public or private sources;

(2) an amount equal to:

(A) two million dollars (\$2,000,000); minus

(B) sixteen and sixty-six hundredths percent (16.66%) of the amount deposited in the clean water Indiana fund under IC 6-2.5-12, as added by this act, for the period beginning January 1, 2004, and ending June 30, 2004;

from the state general fund to leverage matching dollars under the Conservation Reserve Enhancement Program of the federal Farm Security and Rural Investment Act of 2002 (P.L. 107-171); and

(3) an amount equal to:

(A) five million dollars (\$5,000,000); minus

(B) forty-one and sixty-seven hundredths percent (41.67%) of the amount deposited in the clean water Indiana fund under IC 6-2.5-12, as added by this act, for the period beginning January 1, 2004, and ending June 30, 2004;

from the state general fund to leverage matching dollars from public or private sources for grants or other programs providing cost-share financial assistance for land or soil

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1 conservation efforts, water quality efforts, or agricultural
2 purposes and to provide incentives to landowners to apply for
3 funds available under the federal Farm Security and Rural
4 Investment Act of 2002 (P.L. 107-171);
5 beginning July 1, 2004, and ending June 30, 2004.
6 (b) This SECTION expires January 1, 2005.

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